

**MINUTES OF THE  
SPECIAL DISTRICTS SUBCOMMITTEE OF THE  
POLITICAL SUBDIVISIONS INTERIM COMMITTEE**  
Tuesday, October 29, 2002 – 8:30 a.m. – Room 414 State Capitol

**Members Present:**

Sen. David L. Gladwell, Chair  
Rep. David N. Cox  
Rep. David L. Hogue  
Rep. Joseph G. Murray

**Staff Present:**

Mr. Joseph Wade, Research Analyst  
Mr. Robert H. Rees, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

**Members Absent:**

Rep. Scott Daniels

**Note:** A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary, Joy Miller, at 538-1032.

**1. Committee Business**

Chair Gladwell called the meeting to order at 8:45 a.m. Rep. Daniels was excused from the meeting.

**MOTION:** Rep. Hogue moved to approve minutes of the October 15, 2002 meeting. The motion passed unanimously.

**2. Followup Draft Legislation**

Mr. Robert Rees briefly discussed draft legislation "Repeal of Utah Public Airport Authority Act."

Mr. Mark Anderson, UASD (Utah Association of Special Districts), pointed out that special service districts can provide transportation which gives them the authority to own and operate an airport. He questioned if there would be any benefit in making a reference to a special service district or local district in lieu of deleting "airport authority." He indicated that according to current statute a special service district organized to provide transportation services in the form of an airport can submit a request for federal aid without having first obtained state approval.

Mr. Rees indicated he would rework the language to include any political subdivision authorized to operate an airport. He will bring the legislation before the subcommittee at the next meeting.

Mr. Rees reviewed draft legislation "Hazardous Waste Facilities Management Amendments" which takes the requirements for these facilities from Title 17A and puts them into Title 19.

**MOTION:** Rep. Hogue moved to adopt draft legislation "Hazardous Waste Facilities Management Amendments." The motion passed unanimously.

Mr. Rees discussed draft legislation "Extension of Timing For Creating a Local District." The legislation extends the moratorium on creating local districts to May 2, 2005.

**MOTION:** Rep. Hogue moved to adopt draft legislation "Extension of Timing for Creating A Local

District." The motion passed unanimously.

### **3. Comparison of Uniform Special District Provisions and Special Service District Provisions**

Mr. Rees distributed a handout "Comparison of Uniform Provisions of Title 17B to Constitutional Limitations and Current Statutory Provisions Applicable to Special Service Districts." He explained that special service districts have specific constitutional provisions that apply only to them. He highlighted these provisions as they relate to creation, Board of Trustees, annexation, withdrawal, dissolution, and taxing and bonding authority. He questioned to what extent, if at all, should the uniform provisions apply to special districts. Mr. Rees highlighted the uniform provisions which may be in conflict with the constitution if applied to special service districts.

Mr. Jan Furner, UASD, stated it would not make sense to require the same creation process for special service districts that is required for local districts because it would tie the hands of the local governments.

Mr. Anderson said he would be in favor of leaving the flexibility that is inherent in the special service district act in place because it is a more versatile tool for the communities being served. He asked that bond election issues and county boundaries when creating special service districts be further discussed.

Sen. Gladwell requested that in drafting legislation for the subcommittee to consider, Mr. Rees ensure that a special service district stay within the area of its governing body and that he further research the issue of bond elections. He asked that Mr. Rees inform the subcommittee of other constitutional issues he may encounter.

### **4. Lieutenant Governor Certification of Local Governmental Entity Creation of Boundary Changes**

Mr. Joseph Wade reviewed Section 17B-2-215 which requires the lieutenant governor to certify the creation of local districts. The creating entity is required to submit the paperwork to the lieutenant governor. Upon the lieutenant governor's issuance of the certification of incorporation, the local district is created and incorporated.

Ms. Rian Williams, Office (Lieutenant Governor's Office), explained that when cities and towns are incorporating or annexing, they submit certified documents to the Office. The Office has ten days to certify those documents. A certified copy is sent to the city recorder's office and the respective county clerk's office. New special districts are also required to submit the same information. However, the statute does not require the Office to certify annexations for special districts.

Mr. Finch Bingham, Utah State Tax Commission, indicated most of the notifications they receive regarding special districts come from the county recorder. It is required that part of the notification include evidence that the annexation or boundary change has been recorded by the county. Mr. Bingham

said they also receive some certification from the lieutenant governor.

**MOTION:** Rep. Murray moved to require certification by the lieutenant governor for future annexations, withdrawals, and dissolutions of local districts and special districts including special service districts. The motion passed unanimously.

#### **5. Case Study - Experience of Salt Lake County Fire Special Service District**

Captain Michael White, Salt Lake County Fire Department, said they researched special service districts in depth and attempted to create an entity that would represent the cities served by the department as well as the county. The uniqueness of fire protection and delivering medical services to communities would have fit well under the fire protection district laws. However, due to the moratorium placed on them since the enactment of the special service district act, they were not able to form the district under that law.

Mr. John Brems, City Attorney for Taylorsville, explained that three years ago they were approached to try to unify fire services. The proposal was made to create a uniform service district under the special service district act which did not fit with their vision of a partnership type of arrangement. Using the Interlocal Cooperative Act they are in the process of creating a separate entity by contract.

#### **6. Conflict Between Local District Annexation Statute and Property Tax Statute**

Ms. Kathryn Pett, Attorney for Utah Transit Authority, discussed the conflicts between the new annexation statute found in Section 17B-2-517 and property tax statutes found in Subsection 59-12-501(1)(b). In the annexation provision it is contemplated that once the annexation of a newly annexed area to an existing district is concluded, the newly annexed area will be subject to the user fees, charges, sales, and taxes already levied. Subsection 59-12-501(1)(b) states that a county, city, or town may impose a tax under this section only if the governing body has submitted the proposal to qualified voters within the county, city, or town. Ms. Pett explained that in the 2000 election the counties of Salt Lake, Weber, and Davis elected to impose an additional 1/4 cent sales tax to support the development of a commuter rail project and other public transit expansions. Utah County did join at that time, but has now expressed an interest in having the additional 1/4 cent tax available in Utah County in order to participate in the commuter rail program. The problem is that Utah County did not annex in as a county. She distributed a proposed amendment which she felt would make it clear that the provisions of Section 17B-2-517 will control in the event municipalities are annexing an existing district.

Mr. Rees cautioned that there may be a conflict between what is being proposed and a policy that has been determined by the Legislature.

Mr. Rees was requested to work with Ms. Pett and Mr. Anderson to draft legislation that will heighten the notice requirements to include notification of tax implications and a clarification that if there is an annexation under these circumstances the 1/4 cent sale tax is included without an election unless there is a sufficient protest. If an additional 1/4 cent sales tax is needed, an election is required.

**7. Next Subcommittee Meeting**

The next meeting of the subcommittee was scheduled for Tuesday, November 12, 2002.

**8. Other Items / Adjourn**

**MOTION:** Rep. Murray moved to adjourn the meeting. The motion passed unanimously. Chair Gladwell adjourned the meeting at 11:30 a.m.